

Message Text

UNCLASSIFIED

PAGE 01 LONDON 03540 01 OF 02 021754Z
ACTION AF-08

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 DHA-02 AID-05 COME-00 EB-08 FRB-01 TRSE-00
XMB-04 OPIC-06 LAB-04 SIL-01 OMB-01 /122 W
-----021843 116048 /53

R 021742Z MAR 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 1150
INFO AMEMBASSY PRETORIA
AMCONSUL DURBAN
AMCONSUL JOHANNESBURG
AMCONSUL CAPE TOWN
USMISSION USUN NEW YORK

UNCLAS SECTION 01 OF 02 LONDON 03540

CAPE TOWN FOR EMBASSY

E.O. 11652: N/A
TAGS: EIND, EINV, PFOR, SF
SUBJECT: STATEMENT BY U.S. FIRMS ON SOUTH AFRICA:
PRESS REPORT

THE FOLLOWING ARTICLE BY STEWART FLEMING, DATELINED
NEW YORK, MARCH 1, APPEARED IN THE MARCH 2 EDITION OF
THE FINANCIAL TIMES UNDER THE HEADLINE, "U.S. CHARTER
FOR S. AFRICA BLACK LABOR".
BEGIN TEXT: A DOZEN MAJOR U.S. MULTI-NATIONAL CORPORA-
TIONS WITH SOUTH AFRICAN INTERESTS, INCLUDING GENERAL
MOTORS AND INTERNATIONAL BUSINESS MACHINES, HAVE AN-
NOUNCED THEIR SUPPORT FOR A SET OF PRINCIPLES DESIGNED
TO PROMOTE EQUAL EMPLOYMENT RIGHTS FOR BLACKS AND
MINORITIES IN THE REPUBLIC.
THE STATEMENT WAS YESTERDAY PRESENTED FORMALLY TO
MR. R. F. BOTHA, THE SOUTH AFRICAN AMBASSADOR IN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 03540 01 OF 02 021754Z

WASHINGTON BY MR. THOMAS MURPHY, CHAIRMAN OF THE GM, AND
MR. FRANK CARY, CHAIRMAN OF IBM. THEY WERE ACCOMPANIED
BY THE REV. LEON SULLIVAN, A GM DIRECTOR WHO DRAFTED
THE SIX PRINCLES WITH TOP EXECUTIVES OF THE CORPORA-
TIONS. THE PROGRAM IS BELIEVED TO BE BROADLY IN LINE
WITH THE CARTER ADMINISTRATION'S POLICIES TOWARDS RACE
RELATIONS IN SOUTH AFRICA.

SENIOR OFFICIALS OF THE ADMINISTRATION HAVE MADE IT
CLEAR THAT ONE WAY IN WHICH THEY FORESEE THE U.S. GOVERN-
MENT BRINGING PRESSURE FOR IMPROVED CIVIL RIGHTS IN THE
COUNTRY IS THROUGH THE U.S. BUSINESS COMMUNITY.

THE PRINCIPLES ARE UNDERSTOOD TO CALL FOR:

.NON-SEGREGATION OF RACES IN ALL EATING AND WORKING
PLACES;

.EQUAL AND FAIR EMPLOYMENT PRACTICES FOR ALL EM-
PLOYEES;

.EQUAL PAY FOR ALL EMPLOYEES DOING EQUAL AND COM-
PARABLE WORK;

.A DEVELOPMENT TRAINING PROGRAM WHICH WILL PREPARE
BLACKS IN SUBSTANTIAL NUMBERS FOR SUPERVISORY, ADMINIS-
TRATIVE, CLERICAL AND TECHNICAL JOBS;

.AN INCREASE IN THE NUMBER OF BLACKS IN MANAGEMENT
AND SUPERVISORY POSITIONS;

.IMPROVEMENT OF THE QUALITY OF EMPLOYEES' LIVES OUT-
SIDE THE WORK ENVIRONMENT IN SUCH AREAS AS HOUSING,
TRANSPORT, SCHOOLING, RECREATION AND HEALTH.

U.S. BUSINESSES AND OPERATIONS IN SOUTH AFRICA HAVE
BEEN INCREASINGLY CONCERNED ABOUT CIVIL DISTURBANCES
THERE. THEY ARE ALSO AWARE OF THE COMMITMENT OF THE
CARTER ADMINISTRATION TO THE OBJECTIVE OF MAJORITY RULE
IN SOUTH AFRICA.

MR. SULLIVAN EMPHASIZED TODAY THAT HE HAD MOUNTED THE
INITIATIVE INVOLVING THE MAJOR CORPORATIONS HIMSELF AND
NOT IN COOPERATION WITH THE U.S. GOVERNMENT.

HE CONCEDED THAT A NUMBER OF COMPANIES HE HAD AP-
PROACHED HAD REFUSED TO SUBSCRIBE TO THE ANNOUNCEMENT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 03540 01 OF 02 021754Z

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 03540 02 OF 02 021756Z

ACTION AF-08

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 DHA-02 AID-05 COME-00 EB-08 FRB-01 TRSE-00

XMB-04 OPIC-06 LAB-04 SIL-01 OMB-01 /122 W

-----021842 116078 /53

R 021742Z MAR 77

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 1151
INFO AMEMBASSY PRETORIA
AMCONSUL DURBAN
AMCONSUL JOHANNESBURG
AMCONSUL CAPE TOWN
USMISSION USUN NEW YORK

UNCLAS SECTION 02 OF 02 LONDON 03540

THE COMPANIES WHICH HAVE SUBSCRIBED INCLUDE MANY OF THE LARGEST U.S. COMPANIES WITH SOUTH AFRICAN OPERATIONS. QUENTIN PEEL WRITES FROM JOHANNESBURG: ACCORDING TO REPORTS REACHING SOUTH AFRICA, THE U.S. CORPORATIONS BACKING THE INITIATIVE INCLUDE AMERICAN CYANAMID, BURROUGHS, CALTEX PETROLEUM, CITICORP, FORD, GENERAL MOTORS, INTERNATIONAL BUSINESS MACHINES, INTERNATIONAL HARVESTER, MINNESOTA MINING AND MANUFACTURING, MOBIL OIL, OTIS ELEVATOR AND UNION CARBIDE.

THE LATEST ESTIMATE OF U.S. CORPORATE INVESTMENT IN SOUTH AFRICA IS \$1.6BN., WITH RATHER MORE THAN 300 COMPANIES INVOLVED. WHILE STILL SECOND TO BRITISH INVESTMENT, THE U.S. CONTRIBUTION HAS GROWN RAPIDLY--IT WAS ABOUT \$800M. IN 1969.

THE U.S. CORPORATIONS HAVE BEEN CRITICIZED FOR THEIR LACK OF PROGRESS TOWARDS LESS DISCRIMINATORY EMPLOYMENT POLICIES AND FOR THE PARENT COMPANIES' APPARENT IG-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 03540 02 OF 02 021756Z

NORANCE ABOUT EMPLOYMENT PRACTICES IN SOUTH AFRICA. INITIAL REACTION TO THE LATEST STATEMENT OF INTENT BY U.S. CORPORATIONS IS THAT IT IS TOO GENERALIZED AND VAGUE TO BRING ABOUT ANY RADICAL CHANGE IN EXISTING PRACTICES. THE SIX POINTS REPORTED HERE MAKE NO MENTION EITHER OF THE PRACTICE OF JOB RESERVATION--RESTRICTING CERTAIN OCCUPATIONS TO WHITES ONLY--NOR OF RECOGNIZING BLACK TRADE UNIONS IN NEGOTIATIONS.

BUT ANY MOVE TO DESEGREGATE ALL EATING AND WORK FACILITIES COULD BRING U.S. SUBSIDIARIES INTO CONFLICT WITH THE SOUTH AFRICAN GOVERNMENT'S POLICY OF SEPARATE FACILITIES.

EQUAL PAY FOR EQUAL WORK IS AN IDEAL ALREADY ENshrined IN SOUTH AFRICAN LEGISLATION, BUT ONLY FOR MINIMUM WAGE RATES LAID DOWN FOR PARTICULAR JOBS. THERE IS NO LEGAL RESTRICTION ON COMPANIES ADHERING TO IT.

SIMILARLY ALL THE OTHER PRINCIPLES WOULD APPEAR TO BE
ONES WHICH THE SOUTH AFRICAN GOVERNMENT WOULD WELCOME,
ALTHOUGH THE PRACTIRCH: 0755848 ?)-(294(34 8,59 09-
SITIONS OF SUPERVISING WHITES IS UNDOUBTEDLY FROWNED ON.

ARMSTRONG

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON03540
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770072-0176
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197703101/aaaadlqw.tel
Line Count: 176
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 534788ac-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2941611
Secure: OPEN
Status: NATIVE
Subject: STATEMENT BY U.S. FIRMS ON SOUTH AFRICA: PRESS REPORT THE FOLLOWING ARTICLE BY STEWART FLEMING, DATELINE
TAGS: EIND, EINV, PFOR, SF, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/534788ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009